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FOR

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DATE

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CITY

Washington, D.C.

SUBJECT

Capitol Hill Investigation

TED KOPPEL: The House Ethics Committee today named former HEW Secretary Joseph Califano to head the congressional investigation into charges of homosexuality and drug use by both the Congress and teen-age pages.

We have a report from Capitol Hill correspondent Charles Gibson.

CHARLES GIBSON: The committee wanted a well-known special counsel, someone above any allegation that the House investigation might be less than complete. Joseph Califano has never been bashful about taking the spotlight. And once he was assured of both Democratic and Republican support, he took the job.

JOSEPH CALIFANO: I have accepted this assignment with the greatest reluctance. No one can look forward to the prospect of investigating the kinds of allegations involved here.

GIBSON: Califano will investigate two kinds of allegations: alleged improper or illegal sexual conduct by congressmen, and alleged illicit use or distribution of drugs by members.

The sex charges originate with a former page, Leroy Williams, that he had homosexual relations with congressmen. And FBI investigation is said to be close to complete on that. Prosecutions are said to be unlikely.

The drug investigation is expected to take longer, and could revolve around whether Congress should punish members who just used drugs.

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MAN: Have you ever tried cocaine?

CALIFANO: No, I've never tried cocaine. Have you ever tried cocaine?

GIBSON: In light of the recent charges, a special commission has been looking into the page system. Most witnesses opposing its elimination.

WOMAN: Someone said to me it would be like doing away with the changing on the guard, on a lesser scale.

GIBSON: Commission members today toured old, well-worn buildings on Capitol Hill with an eye toward converting one to a page dormitory, supplying some supervision, and heading off future problems with pages.

CAROLE SIMPSON: It now appears there may be more to the Washington sex scandal than that now being investigated on Capitol Hill. ABC News has learned that the FBI is investigating male prostitution rings in Washington, in part to determine whether high-ranking government officials who use male prostitutes may have leaked national security information.

Fred is a former male prostitute who has been cooperating with the FBI for some time on investigations of child pornography and homosexuality on Capitol Hill. He told ABC News that it's common practice for foreign agents to hire male hustlers to obtain U.S. government secrets.

FRED: Not just the Russians. The British also do this. The Israelis also do this. I have firsthand knowledge of both of those. Some secondhand knowledge of the West German Embassy also being involved with it. Both our friends and our enemies are very interested in it because -- any information concerning U.S. military bases, U.S. military contracts.

SIMPSON: Have you ever extracted information?

FRED: I did on one occasion about -- and this is for the British Embassy. They wanted information on some U.S. military plans to build Air Force bases overseas, and they wanted to find out what kind of money was going to go into it and if the money was going to go through.

SIMPSON: Fred claims the British paid him \$5000 to obtain that information from a member of the staff of the Senate Armed Services Committee.

The foreign embassies Fred mentioned all strongly denied any involvement.

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The FBI's national security investigation was sparked by recent raids on two lucrative male prostitution services. Police and FBI agents confiscated records, among them a list of a thousand names of regular customers, names reported to include members of Congress, top congressional aides, and Pentagon officials.

The FBI is now studying the list of names to determine if any government employees with access to classified information used male prostitutes. If the FBI discovers such employees leaked information, not only could they be fired, they could be prosecuted for espionage.